

Message Text

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PAGE 01 EC BRU 00490 181706Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
AF-08 ARA-06 EA-07 NEA-10 /131 W
-----190252Z 081925 /63

R 181618Z JAN 77
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 2791
INFO ALL EC CAPITALS 2990
USDEL MTN GENEVA
USMISSION OECD PARIS

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E.O. 11652: N/A
TAGS: EEC, ETRD
SUBJECT: DELIVERY OF AIDE MEMORIRE ON COMMUNITY STEEL PLAN

REF: STATE 3260

1. MISSION GAVE AIDE MEMOIRE TO EC OFFICIALS LOERKE AND TULLY OF EXTERNAL RELATIONS AND KUTCHER, INDUSTRIAL AFFAIRS.
2. LOERKE SAID HE THOUGHT MESSAGE WAS USEFUL BUT MAINTAINED THAT STEEL PROBLEM COULD NOT BE DEALT WITH ONLY ON THE LEVEL OF TRADE EFFECTS. THERE WAS A NEED TO EXAMINE PROBLEMS OF THE INDUSTRY IN A MULTILATERAL CONTEXT AND THE COMMISSION HAD NO OBJECTION TO A REVIEW OF THE SITUATION SUCH AS THE OECD DISCUSSION OF STEEL ISSUES IN LATE 1975. LOERKE INDICATED, HOWEVER, A STRONG PREFERENCE FOR ADDITIONAL BILATERAL US-EC CONTACTS AND SAID THAT HE THOUGHT THIS USEFUL FOR THREE REASONS: NEW ADMINISTRATIONS ARE BEING SET UP IN US AND EC - A BILATERAL MEETING WILL ENSURE THAT EACH SIDE UNDERSTANDS THE

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PAGE 02 EC BRU 00490 181706Z

OTHERS VIEW; THE TIME IS NOT RIGHT TO ATTEMPT A
TRILATERAL MEETING WITH THE JAPANESE WHO WOULD FEEL
SQUEEZED BY SUCH A MEETING; AND LASTLY, LOERKE SAID
THERE SHOULD BE A CLEAR BOUNDARY LINE BETWEEN FAR-REACHING
EFFORTS, OF THE SORT THE OECD MIGHT ADDRESS, TO REDEFINE
TRADE RELATIONSHIPS AND THE IMMEDIATE EC PROBLEM
WHICH WAS A SIMPLE TRADING PROBLEM WITH JAPAN AND SOME OTHER

PARTNERS.

3. KUTCHER SAID THE EC FACED A CHOICE BETWEEN SUCCESS THROUGH THE SIMONET PLAN OR WIDESPREAD BANKRUPTCIES AND NATIONALIZATIONS OF EC STEEL INDUSTRIES. THE COMMISSION DID NOT LIKE THESE MEASURES BUT SAW THEM AS INEVITABLE IF EC INDUSTRIES ARE TO AVOID CONTINUED SALES AT BELOW COST. HE SAID THAT THE EC WAS UNDER PRESSURES FROM INDUSTRY AND ESPECIALLY UNIONS FOR EVEN STRONGER MEASURES ON PRODUCTION AND PRICES. KUTCHER MAINTAINED THE SOLUTION TO TRADE REPERCUSSIONS WAS FOR ALL PRODUCERS TO CUT BACK ON PRODUCTION AND EXPORTS DURING RECESSIONARY PERIODS. HE SAID US, EC, AND OTHER EUROPEANS HAD ALREADY DONE THIS. PROBLEM IS WITH THE JAPANESE, SOUTH KOREA, SOUTH AFRICA, AND A FEW OTHERS WHO HAVE BEEN UNWILLING TO DO SO.HINTON

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: POLICIES, AIDE MEMOIRE, IMPORT CONTROLS, STEELS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Litigation History:
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